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FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 5545
INFO RUEHGB/AMEMBASSY BAGHDAD 6270
RUEHLB/AMEMBASSY BEIRUT 3072
RUEHEG/AMEMBASSY CAIRO 4077
RUEHDM/AMEMBASSY DAMASCUS 4203
RUEHKU/AMEMBASSY KUWAIT 0927
RUEHRH/AMEMBASSY RIYADH 2186
RUEHTV/AMEMBASSY TEL AVIV 1800
RUEHJM/AMCONSUL JERUSALEM 5584
RUCPDO/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/SECDEF WASHDC

UNCLAS AMMAN 001633

SIPDIS

STATE FOR EEB AND NEA/ELA

E.O. 12958: N/A

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SUBJECT: Jordan Increases Fuel Prices

REF: 08 Amman 2354

¶1. (SBU) The Government of Jordan (GOJ) on July 16 announced new fuel price increases, effective July 17. Prices were raised between 1.6% and 10.2% compared to mid-June prices. Since August 2008, the GOJ has implemented eight price reductions followed by four consecutive price increases including this one. Throughout this process the price of LPG in 12.5 KG canisters, used by the majority of households in Jordan for cooking and heating, remained unchanged at a subsidized price.

¶2. (SBU) Prices are determined by an interagency committee based on average international market prices during the preceding 30 days and other costs, such as freight and handling. According to Farouq Hiyari, Secretary General at the Ministry of Energy and Mineral Resources, the Committee will stop setting prices once a new system, consisting of four marketing companies and a logistics company, is established to handle fuel distribution and sales, which he hopes could be implemented by early 2010 (septel).

¶3. (SBU) Current retail prices of petroleum products in Jordan follow (Note: 1 USD = 0.708 JD and 1 JD = 1000 fils):

Item	New Price (as of July 17)	Old Price (June 1)	% Change
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Premium gasoline	fils/liter 515	500	+ 3.0%
Unleaded (95 Octane)	\$/gallon 2.76	2.68	
Regular gasoline	fils/liter 440	430	+ 2.3%
Unleaded (90 Octane)	\$/gallon 2.36	2.31	
Kerosene and Diesel	fils/liter 400	375	+ 6.6%
	\$/gallon 2.15	2.01	
Diesel for ships	fils/liter 470	462.58	+ 1.6%
	\$/gallon 2.52	2.48	
Heavy fuel oil (industry)	JD/ton 320.17	301.38	+ 6.2%
	\$/ton 699.15	654.48	
Heavy fuel oil (ships)	JD/ton 320.17	301.38	+ 6.2%
	\$/ton 699.15	654.48	
Jet fuel (local companies)	fils/liter 377	355	+ 6.2%
	\$/gallon 2.02	1.91	

Jet fuel (foreign companies)	files/liter	382	360	+ 6.1%
	\$/gallon	2.05	1.93	
Jet fuel (charter flights)	files/liter	397	375	+ 5.9%
	\$/gallon	2.13	2.01	
Asphalt	JD/ton	344.62	324.67	+ 6.1%
	\$/ton	834.32	726.69	
LPG (12.5 Kg)	6.5 JD/cylinder		No change	
	\$9.18/cylinder			
LPG (50.0 Kg)	JD/cylinder	29.51	26.77	+ 10.2%
	\$/cylinder	41.68	37.81	
LPG (bulk)	JD/ton	590.17	535.5	+ 10.2%
	\$/ton	833.57	756.36	

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